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DEPARTMENT OF COMMERCE

International Trade Administration

[A-122-861]

Certain Uncoated Groundwood Paper from Canada: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that certain uncoated groundwood paper (UGW paper) from Canada is being, or is likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is July 1, 2016, through June 30, 2017. The final dumping margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: David Goldberger or Terre Keaton Stefanova, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4136 or (202) 482-1280.

SUPPLEMENTARY INFORMATION:

Background

On March 19, 2018, Commerce published the *Preliminary Determination* of sales at LTFV of UGW paper from Canada, in which we also postponed the final determination to

August 1, 2018.¹ A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum, which is hereby adopted by this notice.²

Scope of the Investigation

The product covered by this investigation is UGW paper from Canada. For a complete description of the scope of the investigation, *see* Appendix I.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues raised is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and it is available to all parties in the Central Records Unit, room B-8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), in March and April 2018, we conducted verifications of the sales and cost information submitted by

¹ See *Certain Uncoated Groundwood Paper from Canada: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures*, 83 FR 11960 (March 19, 2018) (*Preliminary Determination*).

² See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Certain Uncoated Groundwood Paper from Canada," dated concurrently with this notice (Issues and Decision Memorandum).

Catalyst Pulp and Paper Sales, Inc. and Catalyst Paper General Partnership (collectively, Catalyst); Resolute FP Canada Inc. and Donohue Malbaie Inc. (collectively, Resolute); and White Birch Paper Canada Company, Papier Masson WB LP, FF Soucy WB LP, and Stadacona WB LP (collectively, White Birch Paper) for use in our final determination. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by Catalyst, Resolute, and White Birch Paper.³

Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for Catalyst, Resolute, and White Birch Paper. For a discussion of these changes, *see* the “Margin Calculation” section of the Issues and Decision Memorandum.

“All Others” Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and margins determined entirely under section 776 of the Act. Section 735(c)(5)(B) of the Act provides that if the estimated weighted-average dumping margins for all individually investigated exporters and producers are zero or *de minimis* or determined entirely

³ For discussion of our verification findings, *see* the following memoranda: Memorandum “Verification of the Cost Response of White Birch Paper Canada Company in the Antidumping Duty Less Than Fair Value Investigation of Uncoated Groundwood Paper from Canada,” dated April 20, 2018; Memorandum, “Verification of the Sales Questionnaire Responses of Catalyst Pulp and Paper Sales, Inc. and Catalyst Paper General Partnership (collectively, Catalyst) in the Antidumping Duty Investigation of Certain Uncoated Groundwood Paper from Canada,” dated May 18, 2018; Memorandum, “Verification of the Sales Response of White Birch Paper in the Antidumping Investigation of Certain Uncoated Groundwood Paper from Canada,” dated May 21, 2018; Memorandum, “Verification of the Sales Response of White Birch Paper in the Antidumping Investigation of Certain Uncoated Groundwood Paper from Canada,” dated May 24, 2018; Memorandum, “Verification of the Sales Response of Resolute FP Canada Inc. and Donohue Malbaie Inc. (collectively, Resolute),” dated May 31, 2018; Memorandum “Verification of the Cost Response of Catalyst in the Antidumping Duty Investigation of Certain Uncoated Groundwood Paper from Canada,” dated May 31, 2018; and Memorandum, “Verification of the Cost Response of Resolute in the Antidumping Duty Investigation of Uncoated Groundwood Paper from Canada,” dated June 5, 2018.

under section 776 of the Act, then Commerce may use any reasonable method to establish the estimated all others rate, including averaging the estimated weighted-average dumping margins determined for the individually investigated exporters and producers.

Commerce has continued to calculate zero rates for Resolute and White Birch Paper. Further, because of the substantial change to the scope of this investigation at the time of the *Preliminary Determination*, we find that Catalyst can no longer be considered an “individually investigated” exporter or producer, within the meaning of section 735(c) of the Act.⁴ Therefore, there are no margins for “individually investigated” respondents in this investigation that are not zero. Consequently, we assigned the “all others” rate pursuant to section 735(c)(5)(B) of the Act by averaging the margins for the “individually investigated” respondents. Specifically, we assigned the zero rate calculated for Resolute and White Birch Paper as the rate for “all others” producers and exporters in this investigation.⁵

Final Determination

The final estimated weighted-average dumping margins are as follows:

Exporter/Manufacturer	Weighted-Average Margin (percent)
Catalyst Pulp and Paper Sales, Inc. and Catalyst Paper General Partnership	16.88
Resolute FP Canada Inc. and Donohue Malbaie Inc.	0.00
White Birch Paper Canada Company, Papier Masson WB LP, FF Soucy WB LP, and Stadacona WB LP	0.00
All Others	0.00

⁴ However, pursuant to section 735(a) of the Act, we continue to reach an affirmative final determination with respect to Catalyst, and we have used the record evidence and verification findings with respect to Catalyst to calculate its weighted-average dumping margin. For further discussion, *see* the Issues and Decision Memorandum at Comment 2.

⁵ For further discussion, *see* the Issues and Decision Memorandum at Comment 2.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of UGW paper from Canada, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after March 19, 2018, the date of publication of the preliminary determination of this investigation in the *Federal Register*, other than entries of UGW paper produced and exported by Resolute, and produced and exported by White Birch, because their rates are zero. Entries for the companies subject to the “all others” rate will be subject to suspension of liquidation at the “all others” rate.

Further, Commerce will instruct CBP to require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price as shown above.

International Trade Commission (ITC) Notification

In accordance with section 735(d) of the Act, we will notify the ITC of the final affirmative determination of sales at LTFV. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic

industry in the United States is materially injured, or threatened with material injury, by reason of imports of UGW paper from Canada no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise, other than those produced and exported by Resolute, and those produced and exported by White Birch, because their rates are zero, entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders (APO)

This notice serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: August 1, 2018.

Gary Taverman,
Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, Performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation includes certain paper that has not been coated on either side and with 50 percent or more of the cellulose fiber content consisting of groundwood pulp, including groundwood pulp made from recycled paper, weighing not more than 90 grams per square meter. Groundwood pulp includes all forms of pulp produced from a mechanical pulping process, such as thermo-mechanical process (TMP), chemi-thermo mechanical process (CTMP), bleached chemi-thermo mechanical process (BCTMP) or any other mechanical pulping process. The scope includes paper shipped in any form, including but not limited to both rolls and sheets.

Certain uncoated groundwood paper includes but is not limited to standard newsprint, high bright newsprint, book publishing, and printing and writing papers. The scope includes paper that is white, off-white, cream, or colored.

Specifically excluded from the scope are imports of certain uncoated groundwood paper printed with final content of printed text or graphic. Also excluded are papers that otherwise meet this definition, but which have undergone a supercalendering process.⁶ Additionally, excluded are papers that otherwise meet this definition, but which have undergone a creping process over the entire surface area of the paper.

Also excluded are uncoated groundwood construction paper and uncoated groundwood manila drawing paper in sheet or roll format. Excluded uncoated groundwood construction paper and uncoated groundwood manila drawing paper: (a) have a weight greater than 61 grams per square meter; (b) have a thickness greater than 6.1 caliper, *i.e.*, greater than .0061" or 155 microns; (c) are produced using at least 50 percent thermomechanical pulp; and (d) have a shade, as measured by CIELAB, as follows: L* less than or 75.0 *or* b* greater than or equal to 25.0.

Also excluded is uncoated groundwood directory paper that: (a) has a basis weight of 34 grams per square meter or less; and (b) has a thickness of 2.6 caliper mils or 66 microns or less.

Certain uncoated groundwood paper is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) in several subheadings, including 4801.00.0120, 4801.00.0140, 4802.61.1000, 4802.61.2000, 4802.61.3110, 4802.61.3191, 4802.61.6040, 4802.62.1000, 4802.62.2000, 4802.62.3000, 4802.62.6140, 4802.69.1000, 4802.69.2000, and 4802.69.3000. Subject merchandise may also be imported under several additional subheadings including 4805.91.5000, 4805.91.7000, and 4805.91.9000.⁷ Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

⁶ Supercalendering imparts a glossy finish produced by the movement of the paper web through a supercalender which is a stack of alternating rollers of metal and cotton (or other softer material). The supercalender runs at high speed and applies pressure, heat, and friction which glazes the surface of the paper, imparting gloss to the surface and increasing the paper's smoothness and density.

⁷ The following HTSUS numbers are no longer active as of January 1, 2017: 4801.00.0020, 4801.00.0040, 4802.61.3010, 4802.61.3091, and 4802.62.6040.

Appendix II
List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Changes Since the Preliminary Determination
- V. Discussion of the Issues

General

- Comment 1: Whether There was Sufficient Industry Support to Initiate this Investigation
- Comment 2: Respondent Selection and Calculation of the “All Others” Rate
- Comment 3: Differential Pricing Methodology

Catalyst

- Comment 4: Fixed Asset Impairment for Catalyst
- Comment 5: Treatment of Catalyst’s Home Market Barter Sales
- Comment 6: Treatment of Catalyst’s Sales Which May Have Been Destined for Mexico
- Comment 7: Insurance Recovery Costs for Catalyst
- Comment 8: Catalyst’s Home Market Bank Charges
- Comment 9: Errors in Catalyst’s *Preliminary Determination* Margin Program
- Comment 10: Verification Corrections for Catalyst

Resolute

- Comment 11: Resolute’s Short-Term U.S. Dollar Borrowing Rate
- Comment 12: Treatment of Resolute’s Corporate Level Costs

- VI. Recommendation

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